

September 11, 2007

The Honorable Mark Sanford
Office of the Governor
State House
Columbia, South Carolina

Dear Governor Sanford:

Thank you for your continued support of the work this agency does for the poorest and most vulnerable citizens of this state. Enclosed are our budget requests for Fiscal Year 2008-2009.

We are asking for funds for FTE's to process and pay providers for services that are not eligible under the Medicaid program, to continue the development of the Automated Child Support Enforcement System, to annualize Supplemental Appropriation with recurring funds, to expedite Children's Services, and to modernize DSS.

Please let me know if you or your staff have any questions concerning any part of this budget package.

Sincerely,

Kathleen M. Hayes, Ph.D.
State Director

Enclosures

FISCAL YEAR 2008-09 BUDGET PLAN

I. EXECUTIVE SUMMARY

- A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
- B. Statewide Mission: To ensure the health and safety of adults and children who cannot protect themselves and to assist families to achieve stability through food assistance, child care, child support, and temporary benefits while transitioning into employment.
- C. Summary Description of Strategic or Long-Term Goals:
- (1) See agency mission above.
 - (2) Children with one or both parents absent from the home receive adequate financial support from their absent parent(s).
 - (3) To enhance the emotional and social well-being of children in the least restrictive, most appropriate, normalized, community environment through intensive case management while promoting safety, health, and permanency.

D.

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Medicaid Staffing Replacement Funds	0	801,708	0	0	\$ 801,708	14.00	0	0	14.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable): 3</u> Activity Number & Name: See Attached Schedule										
Priority No.: 2	Title: Child Support Enforcement System Development	9,000,000	0	35,405,294	0	44,405,294	0	0	0	0.00

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in <u>Item C</u> Above (<i>if applicable</i>): 2 Activity Number & Name: 1101 Child Support Enforcement										
Priority No.: 3	Title: Annualization of Recurring Services Funded with Supplemental Appropriations	0	10,609,474	2,417,252	0	13,026,726	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C</u> Above (<i>if applicable</i>): 1 and 3 Activity Number & Name: See Attached Schedule										
Priority No.: 4	Title: Expediting Children Services	0	604,000	1,068,103	0	1,672,103	6.12	10.88	0	17.00
Strategic Goal No. Referenced in <u>Item C</u> Above (<i>if applicable</i>): 3 Activity Number & Name: See Attached Schedule										
Priority No.: 5	Title: Modernization		438,672	715,728	0	1,154,400	3.04	4.96	0	8.00
Strategic Goal No. Referenced in <u>Item C</u> Above (<i>if applicable</i>): 3 Activity Number & Name: See Attached Schedule										
TOTAL OF ALL PRIORITIES		\$ 9,000,000	\$12,453,854	\$ 39,606,377	\$ 0	\$ 61,060,231	23.16	15.84	0.00	39.00

E. Agency Recurring Base Appropriation:
 State \$ 130,295,206
 Federal\$ 1,059,728.272
 Other \$ 50,946,510

F. Efficiency Measures:

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$ 0	\$ 0	\$ 0	\$ 0

* If applicable

H. Number of Proviso Changes: 1 (One)

I. Signature/Agency Contacts/Telephone Numbers:

Kathleen M. Hayes, Ph.D.
 State Director
 (803) 898-7360

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Priority No. 1 of 5

C. (1) Title: Medicaid Staffing Replacement Funds

(2) Summary Description: The Agency is requesting \$801,708 to fund FTEs to process and pay for services that are not eligible under the Medicaid program. Currently, DSS group home providers bill SCDHHS for Medicaid services, non-Medicaid services, and room and board. These claims are processed by Blue Cross/Blue Shield with contract with SCDHHS via the Medicaid Management System at Clemson University. In 1994, appropriations for the Emotionally Disturbed Children's Program were on the books of SCDHHS. At the time, it was viewed that even though the Medicaid system was designed for accepting billing for Medicaid services only, that providers bill SCDHHS for services and room and board. The alternative was to bill DSS for room and board and non-eligible Medicaid services and bill SCDHHS for Medicaid eligible services. By billing SCDHHS for all services, it was felt that potential double billing would be eliminated and providers would receive payment in a timelier manner.

(3) Strategic Goal/Action Plan (*if applicable*): To enhance the emotional and social well-being of children in the least restrictive, most appropriate, normalized, community environment through intensive case management while promoting safety, health, and permanency.

D. Budget Program Number and Name: See Attached Schedule

E. Agency Activity Number and Name: See Attached Schedule

F. Detailed Justification for Funding

(1) Justification for Funding Increase: In the early part of 2007, SCDHHS notified DSS that effective July 1, 2008, they would no longer process and pay for any services that were not Medicaid eligible. Therefore, DSS is requesting program monitors, accountants, and system modifications to accommodate this change.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		14.00			14.00
(b) Personal Service		439,704			\$439,704
(c) Employer Contributions		191,554			\$191,554
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		170,450			\$170,450
Total	\$ 0	\$801,708	\$ 0	\$ 0	\$801,708
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) Base Appropriation:

State	\$34,125,040
Federal	\$66,553,306
Other	\$14,169,691

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

- (a) Justification: These positions are needed to allow the agency to process provider payments timely once this function is transferred from DHHS.
- (b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Fiscal Analysts					
(a) Number of FTEs	7.00				7.00
(b) Personal Service	186,529				\$186,529
(c) Employer Contributions	84,490				\$84,490

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Coordinators					
(a) Number of FTEs	7.00				7.00
(b) Personal Service	253,175				\$253,175
(c) Employer Contributions	107,064				\$107,064

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State 266.91
Federal 341.78
Other 375.76

Agency-wide Vacant FTEs as of July 31, 2007: _____
% Vacant _____%

H. Other Comments:

Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
Fiscal Year 2008-2009 Budget Plan
Priority No.: 1

Agency Activity Number and Name

Activity Number	Activity Name	Object Code	General Funds	Federal Funds	Total Funds
1095	Foster Care Services		801,708		801,708
	Total Priority # 1		801,708	0	801,708

Budget Program Number and Name

Program Number	Program Name				
05010000	Agency Administration	0158	79,941		79,941
05010000	Agency Administration	1201	6,150		6,150
05020000	Information Resource Management	1201	141,750		141,750
20100500	Foster Care Case Management	0158	359,763		359,763
20100500	Foster Care Case Management	1201	22,550		22,550
95050000	Employer Contributions	1300	191,554		191,554
	Total Priority # 1		801,708	0	801,708

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Priority No. 2 of 5

C. (1) Title: Child Support Enforcement System Development

(2) Summary Description: The agency is requesting funds in the amount of \$9,000,000 to continue the development of the statewide Child Support Enforcement System (CSES) and the Family Court Case Management System (FCCMS). A contract was signed effective August 1, 2007 with Saber Software Corporation to develop, implement and maintain CSES and FCCMS. The contract with Saber specifies that CSES and FCCMS will be developed and implemented statewide within 36 months of the contract's effective date of August 1, 2007 and, from that point, specifies two mandatory years of maintenance for CSES and FCCMS.

(3) Strategic Goal/Action Plan (*if applicable*): The agency will plan, build, and implement a Child Support System that is certified by the federal government.

D. Budget Program Number and Name: 20300000/Child Support Enforcement

E. Agency Activity Number and Name: 1101/Child Support Enforcement

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Child Support Enforcement System (CSES) Timeline

The CSES Timeline identifies DSS's effort to implement a Child Support System.

1988 – The Family Support Act of 1988 required all states to develop and implement a statewide, automated Child Support Enforcement System by the deadlines set, originally October 1, 1995, and later extended to October 1, 1997.

January 1994 – The State entered into a contract with Unisys Corporation (“Unisys”) for the development and statewide implementation of CSES before the October 1, 1995 federal deadline.

November 1996 – February 1998 – After five unsatisfactory field tests, Unisys stopped work in November 1997 and physically left the project site in February 1998. Litigation ensued between the State and Unisys.

October 1999 – September 2000 – DSS completed a federally mandated Feasibility Study and Corrective Action Plan.

January 2001 – October 2001 – At the urging of the U.S. Department of Health and Human Services, Unisys and the State entered into a mediation process in January 2001. On November 1, 2001, the mediation ended in a settlement that provided the State with cash payments from Unisys, with all of the latest versions of the system's development documentation, and with the latest version of the application software.

2002 – DSS issued two Requests for Qualifications (RFQ) to solicit qualifications from companies who were interested in responding to a Request for Proposals (RFP) to complete and implement CSES. The first of these RFQs was withdrawn because DSS management decided the State's best interest would be served by replacing the component-based acquisition approach in the RFQ with a prime contractor approach. By the end of 2002, the second RFQ resulted in eight vendors being qualified to receive the RFP.

2003 – DSS began developing the RFP. DSS coordinated this effort with the Judicial Department and with the Clerks of Court.

2004 – The scope of work in the RFP expanded to include a separate Family Court Case Management System (FCCMS).

September 2004 – OCSE recommended that DSS issue another RFQ because of the amount of time that had passed since the eight vendors qualified in 2002. In September 2004, the S.C. State Chief Information Officer (CIO) Information Technology Management Office (ITMO) issued a new RFQ. The intent of this RFQ was to qualify vendors to receive the RFP, which solicited a prime contractor for CSES and FCCMS. Five vendors were qualified.

November 2004 – DSS submitted the RFT to OCSE for approval.

December 30, 2004 – In a letter dated December 30, 2004, OCSE told DSS they would not approve the RFP because the RFP stated that allocation of child support collections for all case types must be based on state law. OCSE said state law conflicted with the federally mandated allocation hierarchy. To address the allocation issue, the State first sought to negotiate the issue with federal authorities. When this did not provide relief, the General Assembly amended state statute to conform with federal law during the 2004-2005 legislative session. This allowed DSS to amend the RFP and gain federal approval.

August 2005 – The State made the first of three attempts to complete the procurement and contract negotiation process. CIO-ITMO issued the RFP to the five qualifying vendors; however, none of the five qualified vendors submitted proposals in response to the RFP.

December 22, 2005 – The CIO-ITMO issued a revised version of the RFP and any vendor that met the requirements of the requirements of The RFP was eligible to respond.

March 7, 2006 – Two vendors responded to the RFP on March 7, 2006. Negotiations began with the highest scoring qualified vendor in late May 2006, and were completed in late June 2006, resulting in a contract signed by the offeror. The contract was submitted to the OCSE for

approval on July 7, 2006. On July 10, 2006, CIO-ITMO learned of a problem in the procurement process, and CIO-ITMO cancelled the solicitation on July 14, 2006.

July 18, 2006 – The CIO-ITMO re-released the CSES/FCCMS RFP to vendors.

September 27, 2006 – Two vendors responded to the RFP on September 27, 2006. The State elected to proceed with contract negotiations with the highest scoring vendor, Affiliated Computer Services, Inc. (ACS).

December 2006 – The contract negotiations with ACS in December 2006 were unsuccessful, and the State began negotiations with Saver Corporation.

February 23, 2007 – The contract negotiations with Saber Corporation were successfully completed, and the Letter of Intent to Award was issued.

February 26, 2007 – A copy of the contract was forwarded to the federal OCSE to begin the sixty day federal review and approval period.

March 5, 2007 – The unsuccessful vendor and one of its subcontractors filed a joint protest against the award of the contract to Saber Corporation.

March 29, 2007 – The CIO-ITMO Procurement Officer held the protest hearing on March 29, 2007. The outcome of this hearing was to deny the ACS protest.

April 9, 2007 – The Chief Procurement Officer issued his decision which denied the protest by the unsuccessful vendor. The unsuccessful vendor then had ten calendar days to file a protest with the full Procurement Panel.

April 18, 2007 – ACS requested a hearing before the full Procurement Review Panel to appeal the decision of the CIO-ITMO's Chief Procurement Officer.

June 8, 2007 – The hearing was held on June 8, 2007, at which time the Procurement Panel verbally dismissed the protest in its entirety.

July 10, 2007 – The State received conditional approval from OCSE of the contract between the State and Saber Corporation. This approval was contingent on the receipt by OCSE of final modifications required by OCSE's review of the contract, and on resolution of the contract protest.

July 12, 2007 – In response to a request from ACS and its subcontractor to withdraw the appeal, the Procurement Panel issued a written Order of Dismissal (with Prejudice).

July 12, 2007 – In response to a request from ACS and its subcontractor to withdraw the appeal, the Procurement Panel issued a written Order of Dismissal (with Prejudice).

July 12, 2007 – Upon termination of the ACS protest, the State supplied the amendments to the OCSE.

Thereby, DSS is requesting continued funding for this most critical system.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses	9,000,000				\$9,000,000
Total	\$9,000,000	\$ 0	\$ 0	\$ 0	\$9,000,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ <u>4,094,973</u>
Federal	\$ <u>21,211,960</u>
Other	\$ <u>6,736,519</u>

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
Fiscal Year 2008-2009 Budget Plan
Priority No.: 2

Agency Activity Number and Name

Activity Number	Activity Name	Object Code	General Funds	Federal Funds	Total Funds
1101	Child Support Enforcement		9,000,000	35,405,294	44,405,294
	Total Priority # 2		9,000,000	35,405,294	44,405,294

Budget Program Number and Name

Program Number	Program Name				
20300000	Child Support Enforcement	1201	9,000,000	35,405,294	44,405,294
	Total Priority # 2		9,000,000	35,405,294	44,405,294

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Priority No. 3 of 5

C. (1) Title: Annualization of Recurring Services Funded with Supplemental Appropriations

(2) Summary Description: This request in the amount of \$10,609,474 is to annualize with recurring State dollars the non-recurring funding provided DSS in the FY 2007-2008 Appropriations Act. DSS received these non-recurring dollars to provide needed services to individuals and families.

(a) The one-time Child Care Voucher funds in the amount of \$5,609,474 that was allocated to DSS, served an additional 1,610 children.

(b) The Adoption Subsidy funds in the amount of \$2,000,000 allocated to DSS will provide funding to encourage the adoption of special needs children. The agency places approximately 450 to 500 special needs children into adoptive placements annually.

(c) The Direct Services Initiative funds in the amount of \$3,000,000 allocated to DSS in the FY 2007-2008 Appropriations Act are for the purpose of assuring continual improvement in service delivery at the front line.

(3) Strategic Goal/Action Plan (*if applicable*): To ensure the health and safety of adults and children who cannot protect themselves and to assist families to achieve stability through food assistance, child care, child support, and temporary benefits while transitioning into employment. To enhance the emotional and social well-being of children in the least restrictive, most appropriate, normalized, community environment through intensive case management while promoting safety, health, and permanency.

D. Budget Program Number and Name: See Attached Schedule

E. Agency Activity Number and Name: See Attached Schedule

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Funding is required to annualize with recurring state dollars the non-recurring Supplemental Appropriations funded in the FY 2007-2008 Appropriations Act.

(a) Child Care benefits will be available to qualified families who have income at or below 65% of federal poverty guidelines (\$930 a month for a family of three or \$1,118 for a family of four). Without annualization of these funds, the agency would be forced to discontinue child care payments for the children and families receiving services as a result of the 2007-2008 appropriation.

(b) The subsidy offsets some of the cost for care of these special needs children and continues, usually, until they are adults. As additional children are placed into adoptive homes, the total cost to the state for the subsidy continues to increase. Annualization of these funds is essential to cover the increase cost of assistance to special needs children and their adoptive parents.

(c) Vulnerable children and adults, and families in need of assistance depend on DSS staff. DSS needs to assure that it can attract, train, and maintain a committed, experienced workforce to meet the challenge of serving at-risk children and families. With annualization of these funds, DSS can continue its commitment to continuous improvement in service delivery through a stable, well-trained, and committed direct services work force.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service		2,473,348	1,101,513		\$3,574,861
(c) Employer Contributions		526,652	238,816		\$765,468
Program/Case Services		7,609,474	1,076,923		\$8,686,397
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$10,609,474	\$2,417,252	\$ 0	\$13,026,726
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ <u>70,988,506</u>
Federal	\$ <u>193,151,939</u>
Other	\$ <u>23,539,621</u>

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
Fiscal Year 2008-2009 Budget Plan
Priority No.: 3

Agency Activity Number and Name

Activity Number	Activity Name	Object Code	General Funds	Federal Funds	Total Funds
1088	Adoptions		228,600	123,092	351,692
1090	Adoption Subsidy Special Needs		2,000,000	1,076,923	3,076,923
1091	Adult Protective Services		149,100		149,100
1092	Child Abuse and Neglect - Intake and Assessment		439,200	188,229	627,429
1094	Child Protective Treatment Services - In-Home		537,000	230,143	767,143
1095	Foster Care Services		525,600	225,257	750,857
1100	Foster Care Treatment Services for EDC		201,000	86,143	287,143
1101	Child Support Enforcement		107,700	209,065	316,765
1104	Temporary Assistance to Needy Families (TANF)		394,200	0	394,200
1103	Child Care		5,609,474		5,609,474
1105	Food Stamp Program		417,600	278,400	696,000
	Total Priority # 3		10,609,474	2,417,252	13,026,726

Program Number	Program Name				
20151000	Adoptions Assistant Payments	1100	2,000,000	1,076,923	3,076,923
20700000	Child Care	1100	5,609,474		5,609,474
20050501	Child Protective Services Case Management	0158	804,820	344,923	1,149,743
20100500	Foster Care Case Management	0158	599,083	256,750	855,833
20150500	Adoption Case Management	0158	188,533	101,518	290,051
20200500	Adult Protective Services Case Management	0158	122,964	0	122,964
	TANF Employment and Training Case				
20250501	Management	0158	442,976	0	442,976
20350501	Food Stamp Assistance	0158	226,413	226,413	452,826
20300000	Child Support Enforcement	0158	88,559	171,909	260,468
95050000	Employer Contributions	1300	526,652	238,816	765,468
	Total Priority # 3		10,609,474	2,417,252	13,026,726

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Priority No. 4 of 5

C. (1) Title: Expediting Children's Services

(2) Summary Description: The agency is requesting \$604,000 in order to reduce barriers to permanency for foster children, DSS must develop innovative ways to improve the management and accountability of its child welfare program.

(3) Strategic Goal/Action Plan (*if applicable*): To enhance the emotional and social well-being of children in the least restrictive most appropriate, normalized, community environment through intensive case management while promoting safety, health, and permanency.

D. Budget Program Number and Name: See Attached Schedule

E. Agency Activity Number and Name: See Attached Schedule

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The agency is requesting funding to create legal/social work permanency teams of four FTE's in each DSS's four regions to work hands-on with counties and regional offices on reducing the time it takes to return foster children to their homes, to free them for adoption, or place them in other permanent living situations. The regional permanency teams will operate as expert legal and social work units with specialists who can identify and remove barriers that serve to delay getting a family for a child. Well-trained teams will react quickly with assistance when a county/regional office has developed a backlog of foster care or adoption cases or lost key legal support. Teams will monitor local legal and social services data, and provide management, quality assurance and technical assistance to local offices, state office, and the courts, if requested.

This request for funding to expedite children's services also includes funds to establish a system of lead workers in every region to provide mentoring and training on CPS intake, assessment, treatment, foster care recruitment and licensing, foster care, managed treatment services, adoption services and adoption recruitment. Lead workers will be selected based on their expertise and ability to assist new workers with complex cases and to offer training in their area of expertise. While identifying lead workers does not compensate for the lack of line supervisors in DSS's child welfare programs, they will serve to stabilize the new and less experienced workers who require much additional support in their first years with the agency and are most likely to leave the agency in the next two years. Lead workers also will assist the agency in supporting the local training needs of counties and regions while the agency moves to increase the professionalism of staff over the next five years. Lead workers will be expected to carry a full caseload in addition to their lead worker responsibilities.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		6.12	10.88		17.00
(b) Personal Service		378,158	672,280		\$1,050,438
(c) Employer Contributions		155,715	271,150		\$426,865
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		70,127	124,673		\$194,800
Total		\$604,000	\$1,068,103	\$ 0	\$1,672,103
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	<u>\$43,364,598</u>
Federal	<u>\$74,009,528</u>
Other	<u>\$ 9,915,390</u>

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

- (a) Justification: These positions are needed to reduce the barriers to permanency for foster children.
- (b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Coordinator II					
(a) Number of FTEs	1.80	3.20			5.00
(b) Personal Service	80,387	142,909			\$223,296
(c) Employer Contributions	33,068	58,788			\$91,856

	State	Federal	Earmarked	Restricted	Total
Position Title: Attorney III					
(a) Number of FTEs	1.44	2.56			4.00
(b) Personal Service	85,569	152,123			\$237,692
(c) Employer Contributions	33,365	59,315			\$92,680

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Assistant I					
(a) Number of FTEs	2.88	5.12			8.00
(b) Personal Service	84,911	150,953			\$253,864
(c) Employer Contributions	37,529	66,719			\$104,248

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State 549.46
Federal 560.16
Other 507.33

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
Fiscal Year 2008-2009 Budget Plan
Priority No.: 4

Agency Activity Number and Name

Activity Number	Activity Name	Object Code	General Funds	Federal Funds	Total Funds
1092	Child Abuse and Neglect - Intake and Assessment		102,680	181,578	284,258
1094	Child Protective Treatment Services - In-Home		120,800	213,621	334,421
1095	Foster Care Services		380,520	672,905	1,053,425
	Total Priority # 4		604,000	1,068,104	1,672,104

Budget Program Number and Name

Program Number	Program Name				
05010000	Agency Administration	0158	19,080	33,920	53,000
05010000	Agency Administration	1201	4,123	7,331	11,454
20050501	Child Protective Services Case Management	0158	127,291	226,295	353,586
20051000	Legal Representative	0158	131,223	233,285	364,508
20051000	Legal Representative	1201	33,002	58,671	91,673
20100500	Foster Care Case Management	0158	100,564	178,780	279,344
20100500	Foster Care Case Management	1201	33,002	58,671	91,673
95050000	Employer Contributions	1300	155,715	271,151	426,866
	Total Priority # 4		604,000	1,068,104	1,672,104

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Priority No. 5 of 5

C. (1) Title: Modernizing DSS

(2) Summary Description: The agency is requesting \$438,672 to modernize the management of technology in DSS. DSS's business model is woefully inadequate to address the complex needs of its mandated programs. To begin to address these needs, DSS need to stabilize its management of technology while maintaining a strong partnership with the Budget and Control Board, Office of State CIO. Because of this, DSS request funding of FTE's to establish its own Information Technology Director and Technical staff to support technical needs of the Agency.

(3) Strategic Goal/Action Plan (*if applicable*): To enhance the emotional and social well-being of children in the least restrictive, most appropriate, normalized, community environment through intensive case management while promoting safety, health, and permanency.

D. Budget Program Number and Name: See Attached Schedule

E. Agency Activity Number and Name: See Attached Schedule

F. Detailed Justification for Funding

(1) Justification for Funding Increase: DSS need to stabilize its management of technology while maintaining a strong partnership with the Budget and Control Board, Office of State CIO.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.04	4.96		8.00
(b) Personal Service		210,900	344,100		\$ 555,000
(c) Employer Contributions		63,270	103,230		\$ 166,500
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		164,502	268,398		\$ 432,900
Total	\$ 0	\$ 438,672	\$ 715,728	\$ 0	\$ 1,154,400
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	<u>\$18,410,388</u>
Federal	<u>\$36,920,478</u>
Other	<u>\$ 8,324,360</u>

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

- (a) Justification: These positions are needed to allow the agency to develop a business model that will address the complex needs of its mandated programs.
- (b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Manager III					
(a) Number of FTEs	.38	.62			1.00
(b) Personal Service	38,000	62,000			\$100,000
(c) Employer Contributions	11,400	18,600			\$30,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Manager I					
(a) Number of FTEs	1.14	1.86			3.00
(b) Personal Service	68,400	111,600			\$180,000
(c) Employer Contributions	20,520	33,480			\$54,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Senior Applications Analyst					
(a) Number of FTEs	1.14	1.86			3.00
(b) Personal Service	74,100	120,900			\$195,000
(c) Employer Contributions	22,230	36,270			\$58,500

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Manager II					
(a) Number of FTEs	.38	.62			1.00
(b) Personal Service	30,400	49,600			\$80,000
(c) Employer Contributions	9,120	14,880			\$24,000

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State	<u>29.18</u>
Federal	<u>54.12</u>
Other	<u>8.70</u>

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services**Fiscal Year 2008-2009 Budget Plan****Priority No.: 5****Agency Activity Number and Name**

Activity <u>Number</u>	<u>Activity Name</u>	Object <u>Code</u>	General <u>Funds</u>	Federal <u>Funds</u>	Total <u>Funds</u>
1088	Adoptions		13,994	22,832	36,826
1091	Adult Protective Services		16,933	27,627	44,560
1092	Child Abuse and Neglect - Intake and Assessment		40,094	65,417	105,511
1094	Child Protective Treatment Services - In-Home		55,273	90,182	145,455
1095	Foster Care Services		64,923	105,928	170,851
1100	Foster Care Treatment Services for EDC		25,882	42,228	68,110
1101	Child Support Enforcement		37,199	60,694	97,893
1103	Child Care		15,573	25,408	40,981
1104	Temporary Assistance to Needy Families (TANF)		67,380	109,936	177,316
1105	Food Stamp Program		98,745	161,110	259,855
1106	CACFP/Summer Food		2,676	4,366	7,042
	Total Priority # 5		438,672	715,728	1,154,400

Budget Program Number and Name

Program <u>Number</u>	<u>Program Name</u>				
05020000	Information Resource Management	0158	210,900	344,100	555,000
05020000	Information Resource Management	1201	164,502	268,398	432,900
95050000	Employer Contributions	1300	63,270	103,230	166,500
	Total Priority # 5		438,672	715,728	1,154,400

IV. PROVISOS

- A. Affected Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services
- B. Related Funding Priority Number (*Leave blank if not associated with funding priority*):
- C. Proviso Number (*If new indicate "New #1", "New #2", etc.*): 26.1
- D. Action (*Indicate Amend, Delete, or Add*): Delete
- E. Descriptive Proviso Title: Fee Retention
- F. Summary of Existing or New Proviso: The Proviso relates to the recovery, through Child Support Enforcement, of funds that were previously paid out on Family Independence benefits.
- G. Explanation of Amendment to/or Deletion of Existing Proviso (***If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified***): The Child Support Enforcement (CSE) provisions in the Deficit Reduction Act of 2005, ended the federal matching of state expenditures of federal CSE incentive payments reinvested back into the program.
- H. Explanation of How the Change Affects Current Law or Policy: None
- I. Justification:
 - a) Description of why this action is necessary: Deleting this Proviso will allow the agency to retain the \$800,000 collected under the Child Support Enforcement Program (Title IV-D) in which they are directed to return to the State Treasurer to be credited back to the State General Fund. These funds will replace the funds lost in the Deficit Reduction Act of 2005.
 - b) Description of how this action will contribute to the agency's mission:
 - c) Cite the section and reference paragraphs if included in your agency's Accountability Report:
- J. Fiscal Impact (*Include impact on all sources of funds – state, federal, and other*): The agency will have to use existing state appropriated funds to comply with this reduction that the federal government imposed on the state.
- K. Submitted By (*Include agency name submitting change, contact person name, telephone number and email*): Department of Social Services, Kathleen M. Hayes, (803) 898-7360, Kathleen.hayes@dss.sc.gov.
- L. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline: Not applicable

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1094	9,134,817	27,429,409	537,000	0	1,152,931	\$38,254,157	469.07
Activity Number & Name: 1095	10,678,424	34,792,537	525,600	0	5,767,346	\$51,763,907	526.09
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF HIGHEST PRIORITIES	\$19,813,241	\$62,221,946	\$1,062,600	\$ 0	\$6,920,277	\$91,018,064	995.16

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

A. Agency Section/Code/Name: 26/L04/South Carolina Department of Social Services

B. Agency Activity Number and Name: (1109) Pass-Through Funds; (1099) Domestic Violence; and (1091) Adult Protective Services.

C. Explanation of Lowest Priority Status: These are programs that are not federally mandated.

D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	280.35	0	0	0	0	280.35
(b) Personal Service	2,158,737	6,313,404	104,370	0	7,089	\$ 8,583,600
(c) Employer Contributions	671,032	1,487,619	44,730	0	154,532	\$ 2,357,913
Program/Case Services	144,740	177,958	0	0	22,169	\$ 344,867
Pass-Through Funds	3,420,009	0	2,700,000	0	0	\$ 6,120,009
Other Operating Expenses	538,009	7,410,316	0	0	1,306,103	\$ 9,254,428
Total	\$ 6,932,527	\$ 15,389,297	\$ 2,849,100	\$ 0	\$ 1,489,893	\$ 26,660,817

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

F.

Summary of Priority Assessment of Activities – Lowest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1109	3,420,009	0	2,700,000	0	0	\$ 6,120,009	0
Activity Number & Name: 1097	0	5,400,242	0	0	0	\$5,400,242	123.52
Activity Number & Name: 1099	0	3,378,316	0	0	1,111,794	\$4,490,110	0
Activity Number & Name: 1091	3,512,518	6,610,739	149,100	0	378,099	\$10,650,456	156.83
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$6,932,527	\$15,389,297	\$ 2,849,100	\$ 0	\$1,489,893	\$26,660,817	280.35